



DOE Pre-Filing Webinar:

Maintaining and Enhancing Hydroelectricity Incentives (EPAAct 2005 Section 247)

August 16, 2023



Webinar Notice

- ▶ The purpose of this webinar is to provide an overview of the full application filing requirements for the Maintaining and Enhancing Hydroelectricity Incentives.
- ▶ The webinar is being recorded and a transcript of the webinar may be made available on DOE's website.
- ▶ We are not accepting questions within this webinar. Please send your questions to hydroelectricincentives@hq.doe.gov.
- ▶ None of the information presented herein is legally binding.
- ▶ The content included in this presentation is intended for informational purposes only relating to the Maintaining and Enhancing Hydroelectricity Incentives (EPAAct 2005 Section 247).
- ▶ Any content within this presentation that conflicts with the Application Guidance is superseded by the latter.
- ▶ All applicants are strongly encouraged to carefully read the Application Guidance.



DOE Webinar Agenda

Maintaining and Enhancing Hydroelectricity Incentives (EPAct 2005 Section 247)

- ▶ Introduction: Luciana Ciocci, Stakeholder Engagement
- ▶ Opening Remarks: Maria Robinson, Director, Grid Deployment Office
- ▶ Overview of the Maintaining & Enhancing Hydroelectricity Incentives: Timothy Welch, Program Manager
- ▶ Overview of the Full Application Filing Requirements: Timothy Welch



Bipartisan Infrastructure Law (BIL)

\$753.6 million provided by BIL for Hydroelectric Incentives

- ▶ **\$125 million: Hydroelectric Production Incentives** (EPAct 2005 Section 242)
- ▶ **\$75 million: Hydroelectric Efficiency Improvement Incentives**
(EPAct 2005 Section 243)
- ▶ **\$553.6 million: Maintaining and Enhancing Hydroelectricity Incentives**
(EPAct 2005 Section 247)



Hydroelectric Production Incentives (EPAct 2005 Section 242)

Where we are

- ▶ **76** applications received
- ▶ Applications currently under review
- ▶ Eligibility letters sent week of July 24, 2023



Hydroelectric Efficiency Improvement Incentives (EPA 2005 Section 243)

Where we are

- ▶ **93** applications received
- ▶ **\$200M** requested funding
- ▶ **\$1.18B** in total reported project costs
- ▶ Applications currently under review



Maintaining and Enhancing Hydroelectricity Incentives (EPAAct 2005 Section 247)

Where we are

- ▶ **599** Letters of Intent (LOI) received
 - Grid Resilience: 160
 - Dam Safety: 309
 - Environmental Improvements: 130
- ▶ **\$823M** requested funding
- ▶ **\$6.2B** in total reported project costs
- ▶ Accepting full applications through 5:00 p.m. ET, October 6, 2023



Maintaining & Enhancing Hydroelectricity Incentives (EPAAct 2005 Section 247)

- ▶ A qualified hydroelectric facility:
 - (a) Is licensed by FERC or is a hydroelectric project constructed, operated, or maintained pursuant to a permit or valid existing right-of-way granted prior to June 10, 1920, or a license granted pursuant to the Federal Power Act (16 U.S.C. 791a et seq.), or has a FERC-issued exemption;
 - (b) Was placed into service before November 15, 2021; and
 - (c) Is in compliance with all applicable Federal, State, and Tribal requirements, or would be brought into compliance with all applicable Federal, State, and Tribal requirements as a result of the capital improvements carried out using an incentive payment under this section.



Maintaining & Enhancing Hydroelectricity Incentives (EPAAct 2005 Section 247)

- ▶ Funds capital improvements at qualified facilities directly related to improving **grid resilience and dam safety, and related to environmental improvements.**
- ▶ BIL provided **\$553,600,000** to remain available until expended.
- ▶ Incentive payments shall not exceed **30%** of the costs of the applicable capital improvement.
- ▶ Not more than **\$5,000,000** to any facility in any fiscal year.
- ▶ Letter of Intent (LOI) window closed June 22, 2023; the full application period is now open through October 6, 2023.
- ▶ In order to submit a full application, a potential applicant must have first filed an LOI.



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In the event of oversubscription, DOE will follow the below process:

- ▶ **It is our intent to fully fund as many eligible projects as possible.**
- ▶ Scoring criteria rubric will prioritize which capital improvement applications are awarded funding.
 - DOE will use the documentation submitted with the full application to determine a score. Failure to submit the required documentation could lead to a low score.
- ▶ Top scoring applications will be selected in each of the three capital improvement categories (i.e., grid resilience, dam safety, and environmental improvements) for small projects and remaining eligible projects.
- ▶ Applications with the same ranking will be ranked by nameplate capacity from highest to lowest.



Submitting Your Application: Helpful Tips

Ensure that your application is **complete**. Review the Application Guidance fully for all required information.

- ▶ Description of the proposed capital improvement
 - Detailed explanation of how the project meets all relevant criteria
- ▶ A detailed list of capital costs
- ▶ Proof of FERC authorization to operate
- ▶ Provide FERC/NEPA documentation
 - Approval process
- ▶ Small project request
 - Statement you are filing as a Small project
- ▶ Project Budget & Costs
 - Amount of incentive payment you are requesting (amount may not exceed \$5M per facility)
- ▶ Include compliance statements
 - Build America, Buy America
 - Davis-Bacon
- ▶ Community Benefits Plan (CBP)
 - Address each element of the CBP
 - [July 12 Community Benefits Plan Webinar: Maintaining and Enhancing Hydroelectricity Incentives \(EPAct 2005 Section 247\) | Department of Energy](#)



Projects with Pending FERC Authorization

- ▶ Submit proof a final application for authorization has been filed with FERC with your full application.
- ▶ Where authorizations have not yet been obtained, any selection would be conditioned upon successful completion of permitting.
- ▶ In the event the FERC process results in significant modifications to the capital improvement project, recipients may be required to submit a revised application.



Frequently Asked Questions

Frequently Asked Questions on the Maintaining and Enhancing Hydroelectricity Incentives (EPAct 247) can be found at [Frequently Asked Questions on Section 247: Maintaining and Enhancing Hydroelectricity Incentives | Department of Energy](#)

Direct Costs Versus Indirect Costs

- ▶ Applicants will be expected to demonstrate that all costs associated with the eligible capital improvement are direct costs.
- ▶ Direct costs are those costs that can be identified as necessary to make the capital improvement in the facility or that can be assigned to a capital improvement in the facility relatively easily with a high degree of accuracy.
 - Includes Community Benefits Plan related costs that can be identified as “direct costs”.



Frequently Asked Questions

Timing of Projects

- ▶ Projects should be started and completed within 3 years after projects are selected for an incentive payment.
- ▶ Applicants may request time extensions to any milestones set by DOE.
- ▶ DOE will review requests for time extensions and may approve or deny requests for time extensions at its sole discretion.



Frequently Asked Questions

Build America, Buy America Requirements (Buy America)

- ▶ Buy America requirements only apply to states, local governments, Indian Tribes, institutions of higher education, and nonprofit organizations.
- ▶ For-profit entities, such as investor-owned utilities, do not have to comply with Buy America requirements.
- ▶ Projects completed prior to the application period must still comply with Buy America requirements.
- ▶ Applicants or recipients may request a waiver from Buy America requirements, but such waiver must be included with the applicant's full application or after the recipient has been notified of its selection.

Information related to DOE's Buy America Waiver Request can be found at [DOE Buy America Requirement Waiver Requests | Department of Energy](#)



Frequently Asked Questions

The Department of Labor is a great resource DBA-related questions [Davis-Bacon and Related Acts | U.S. Department of Labor \(dol.gov\)](#)

Davis-Bacon Act requirements

- ▶ The Davis-Bacon Act requires contractors and subcontractors to pay laborers and mechanics employed on federal construction contracts no less than the locally prevailing wages and fringe benefits for corresponding work on similar projects in the area (as established by Department of Labor).
- ▶ Contractors must maintain an accurate record of hours worked and wages paid, including fringe benefit contributions, and submit certified payrolls on a weekly basis to the DOE.
- ▶ Projects completed prior to the application period must still comply with Davis-Bacon Act requirements.
- ▶ Waivers are not available with respect to compliance with Davis-Bacon Act requirements.
- ▶ DOE anticipates contracting with a third party for Davis-Bacon Act electronic payroll compliance software application.
 - Include in your full application if you will seek a waiver for a particular contractor or subcontractor from using this specific software.



Tentative Schedule - Section 247 Maintaining & Enhancing Hydroelectricity Incentives

* Dates are subject to change

Milestone	Date
Draft Guidance Public Comment Period	February 8, 2023 – February 28, 2023
Issue Final Guidance & Open Solicitation	May 8, 2023 – October 6, 2023
Notification of Selectees/Conditional Selectees	Spring 2024
Issue Initial Payments	Upon FERC Authorization
Issue Final Payments	Upon Completion of Work



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Info to Apply

- ▶ The **Letter of Intent** window closed **June 22, 2023**.
- ▶ Submit **full applications** through 5:00 p.m. ET, **October 6, 2023**.
- ▶ To be eligible to file a full application, prospective applicants must have first filed a Letter of Intent.
- ▶ Submit through the [Clean Energy Infrastructure Funding Opportunity eXCHANGE](#).
- ▶ Contact InfrastructureExchangeSupport@hq.doe.gov with questions related to the eXCHANGE website.
- ▶ Contact hydroelectricincentives@hq.doe.gov with questions related to the guidance.



Thank you

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